

Day 1 and 2 - Intro and farmers' dilemma.notebook

The Populist Movement - Day 1

Entrance task: We have studied a lot about city life in the post-Civil War era. What do you think was happening to farmers during this time?

Today: Changes in America & the plight of farmers in the late 1800s are early 20th century

Homework: Ch. 16-3



Population

1860 – 1890

1860 - 31,443,321

1890 - 62,979,766

US Census

US POPULATION DOUBLES!!!

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Between 1870-1900, farmers in the US experienced great difficulties. While food prices declined, their expenses climbed.

What's the connection between falling prices and the increase in bushels grown?

Decreasing Wheat Prices

YEAR	Bushels Grown (millions)	Price per bushel (dollars)
1866	170	\$2.06
1875	254	\$1.04
1880	502	\$.92
1885	400	\$.77
1890	449	\$.84
1895	542	\$.51
1900	599	\$.62

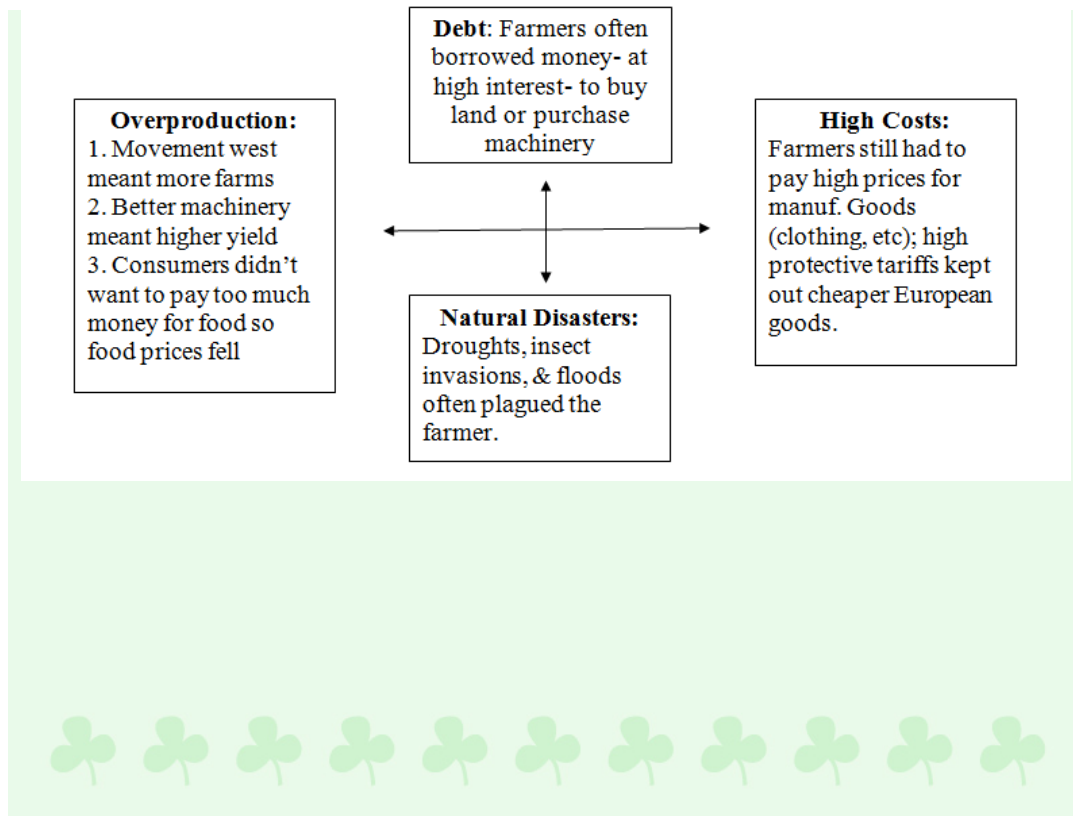


FARMERS

Farmers are using INDUSTRIALIZED equipment

- Now they can do things 20 times faster than before
- They can grow more crops because they can pick them faster
- Leads to over production

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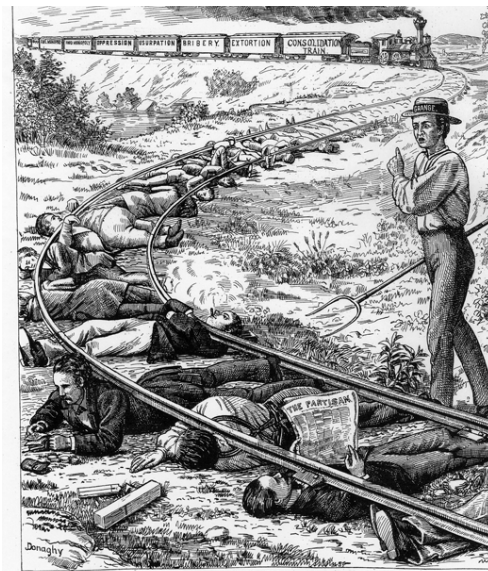


Farmers blame:

Business people

- Wholesalers
- Brokers
- Grain buyers
- Grain elevator operators
- Railroad owners (ESPECIALLY THESE GUYS!)

For charging them too much!



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YERERE IS MIGHTY LITTLE LEFT.
The origin of wealth is in the soil. It is increased by labor. The landlord gives up plenty and gets back a
penny. The farmer gives up plenty and gets back a penny. The middleman takes between the two. —LAW'S PUNCH.

Sounds like rich people are taking advantage of the farmer...

What could farmers do to improve their standing???

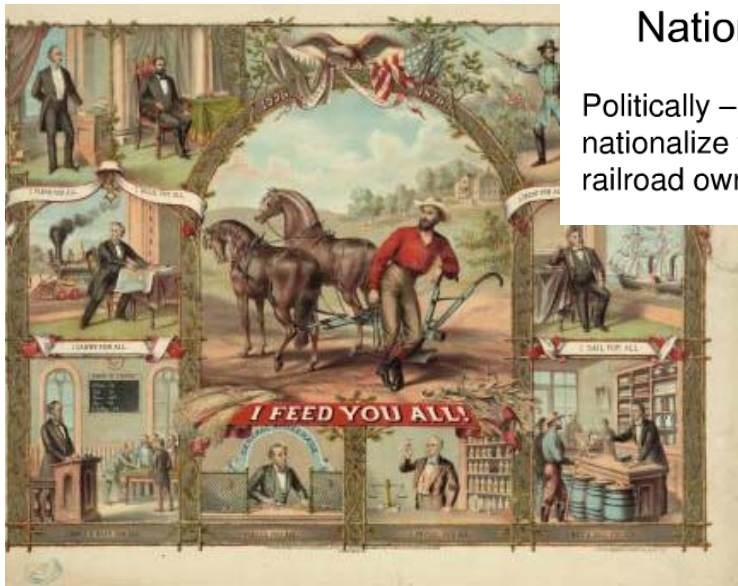


National Grange

A Farmer's Union

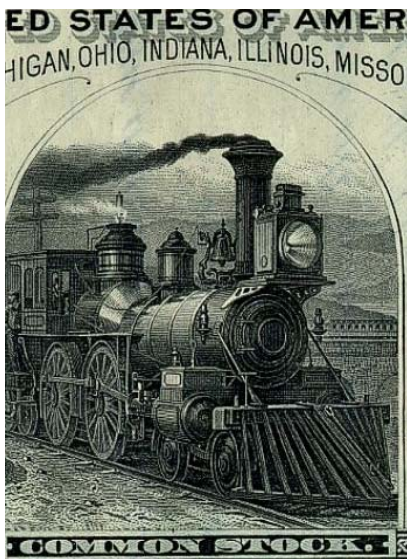
- Tried to make farmers feel like they were in this mess together
- Created co-ops so they could all buy food and materials in bulk (ever buy toilet paper at Sam's and give some to your grandparents, cousins etc...)
- Created co-ops to sell their goods together to
 - split profits that way!

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National Grange cont'd

Politically – pressured the government to nationalize the railroads to keep the railroad owners from price gouging



Nationalizing the Railroads

WILL NOT HAPPEN

We are CAPITALISTS!!! We believe in
FREE ENTERPRISE!!!

The government is not going to stop an
owner from running his business (it's his
right!!!)

Supreme Court

Munn v. Illinois



Government does not have the right to regulate a company that operates in a state

They checked the Constitution – they can't do it!

Congress

INTERSTATE COMMERCE COMMISSION (ICC)

They promise to make sure railroads were charging fair prices

Didn't do much good – Congress didn't give ICC any money to make sure this happened!



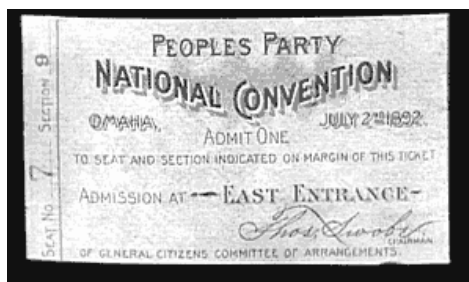
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EXECUTIVE BRANCH

Farmers create their own political party and
ALLY with workers and unions!

The people's party

THE POPULIST PARTY



Populist Party

A new national political party run
by farmers, workers, and middle
class reformers who protested the
growing inequity of wealth and
political corruption



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CW p. 3-7

Average Market Prices of Three Crops, 1870-1897

Years	Wheat (per bushel)	Corn (per bushel)	Cotton (per pound)
1870-1873	106.7	43.1	15.1
1874-1877	94.4	40.9	11.1
1878-1881	100.6	43.1	9.5
1882-1885	80.2	39.8	9.1
1886-1889	74.8	35.9	8.3
1890-1893	70.9	41.7	7.8
1894-1897	63.3	29.7	5.8

From the *Populist Revolt* by John D. Hicks, orig. 1931, renewed 1959. Reprinted with permission of University of Minnesota, Minneapolis, MN

1. What conditions could account for the variation in market prices from 1870-1897? (Name at least 3)

- Supply increased beyond the demand*
- Industrialized farmers could plant more crops*
- Industrialized farmers could harvest more crops*

2. What position would farmers' take towards laissez-faire as a result of the above situation?

They would oppose it because they would want the government to intervene to help increase the price of their crops

Document B

We were told two years ago to go to work and raise a big crop, that was all we needed. We went to work and plowed and planted; the rains fell, the sun shone, nature smiled, and we raised the big crop that they told us to; and what came of it? Eight cent corn, ten cent oats, two cent beef and no price at all for butter and eggs- that's what came of it. Then the politicians said that we suffered from over-production.

John D. Hicks, *The Populist Revolt*

1. What quandary (predicament) did the farmers find themselves in?

They were told to produce more, but ended up making less money

2. What possible reaction could the farmers have as a result of this situation?

Reduce production, organize together

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It is not unfair to say that normally the railroads – sometimes a single (rail)road – dominated the political situation in every western state. In Kansas the Sante Fe was all-powerful; in Nebraska the Burlington and the Union Pacific shared the control of the state; everywhere the political power of one or more of the roads was a recognized fact. Railway influence was exerted in practically every important nominating convention to insure that no one hostile to the railways should be named for office. Railway lobbyists were on hand whenever a legislature met to see that measures unfavorable to the roads were quietly eliminated. Railway taxation, a particularly tender question, was always watched with the greatest solicitude (concern) and, from the standpoint of the prevention of high taxes, usually with the greatest of success. How much bribery and corruption and intrigue the railroads used to secure the ends they desired will never be known. For a long time, however, by fair means or foul, their wishes in most localities were closely akin to law. Beyond a doubt whole legislatures were sometimes bought and sold.

John D. Hicks, *The Populist Revolt*

1. What kind of control did the railroads exert in the western states?

They controlled the politicians, lobbyists influenced decisions, bribery and corruption was used to ensure positive political decisions

2. What is a lobbyist?

A person hired by an industry to influence politicians to favor the industry

3. How did railroad lobbyists ensure that the power of the railroads would be secured?

They used bribery and corruption to influence politicians

4. John D. Hicks asserts that "legislatures were sometimes bought and sold." What impact would this have on the democratic process? On the power of the railroads?

It was harmful to democracy since politicians were reacting to industrial pressure and not the best interest of the people. It strengthened the power of railroads

Document D

If the farmer had little part in fixing the price at which his produce sold, he had no part at all in fixing the price of the commodities (anything bought and sold) for which his earnings were spent. Neither did competition among manufacturers and dealers do much in the way of price-fixing, for the age of "big business" of trusts, combines, pools nor monopolies, had come. These trusts, as the farmers saw it, joined with the railroads, and if necessary, with the politicians, "to hold the people's hands and pick their pockets." They "bought raw material at their own price, sold the finished product at any figure they wished to ask, and rewarded labor as they saw fit." Through their machinations (scheming) "the farmer and the workingman generally" were "overtaxed right and left."

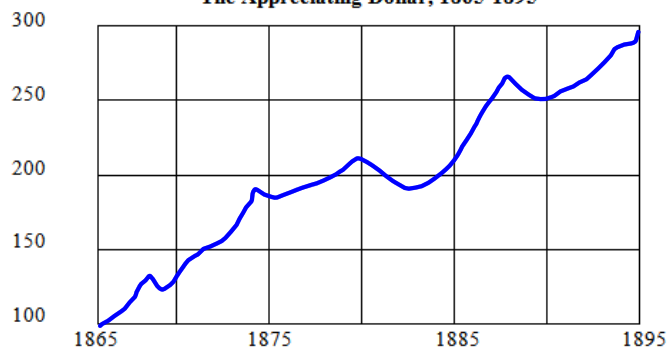
John D. Hicks, *The Populist Revolt*

1. What effect did trusts and monopolies have on farmers?

They consorted jointly against the farmers.

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Document E
The Appreciating Dollar, 1865-1895



John D. Hicks, *The Populist Revolt*

1. *Appreciation* means a raise in value or price. If the dollar is *appreciating*, what would that mean to farmers when they are trying to pay back their loans?

Appreciation makes paying loans more difficult because the money they pay back is worth more than the money they borrowed.

Document F

As one hard season succeeded another, the empty-handed farmer found his back debts and unpaid interest becoming an intolerable burden. In the West after the crisis of 1887, interest rates already high, rose still higher. Farmers who needed money to renew their loans, to meet partial payments on their land, or to tide them over to another season were told, truly enough, that money was very scarce. The flow of eastern capital to the West had virtually ceased. The various mortgage companies that had been doing such a thriving business a few months before had now either gone bankrupt or had made drastic retrenchments (economizing). Rates of seven or eight percent on real estate were now regarded as extremely low; and on chattels (livestock, farm equipment) ten or twelve percent was considered very liberal, from eighteen to twenty-four percent was not uncommon, and forty percent or above was not unknown. Naturally the number of real estate mortgages placed dropped off precipitately.

1. What effect would these high interest rates, coupled with low market prices of farm crops (as seen in Document A) and the appreciating dollar have on the American farmer?

It would mean disaster for the American farmer. They see their income drop steeply and find themselves unable to pay back their debts. Often, the bank forecloses on their farms.

2. What might the farmer begin to demand?

The farmer would demand government intervention to control the monopolies so their expenses could be lessened; they may demand more money be printed to lower the value of the dollar; they may demand the gov't control the market.

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Document G

Western farmers blamed many of their troubles upon the railroads, by means of which all western crops must be sent to market. There was no choice but to use these (rail)roads, and as the frontier advanced farther and farther into the West, the length of the haul to market increased correspondingly. Sometimes western wheat or corn was carried a thousand perhaps even two thousand, miles before it could reach a suitable place for export or consumption. For these long hauls, the railroads naturally exacted high rates, admittedly charging "all the traffic would bear." The farmers of Kansas and Nebraska and Iowa complained that it cost a bushel of corn to send another bushel of corn to market and it was commonly believed that the net profit of the carrier was greater than the net profit of the grower. The farmers of Minnesota and Dakota were accustomed to pay half the value of their wheat to get it as far towards its final destination as Chicago. Small wonder that the farmer held the railroads at least partly responsible for his distress! He believed that if he could only get his fair share of the price for which his produce eventually sold he would be prosperous enough.

John D. Hicks, *The Populist Revolt*

1. Why did farmers blame the railroads for their economic distress?

The railroads were charging higher rates for the short haul, thus increasing farmers' expenses. Railroads also controlled grain elevators and again overcharged the farmers.

Document H

The railroads controlled the elevators and warehouses, fixed the prices of storage, and arbitrarily graded the farmers' grain to suit themselves. Even when a railroad was honestly administered, the situation was no great help to the farmer, for usually the road had to make up for past financial abuses or for rate wars in other parts of the system, and this reimbursement had to come from freight revenues. Though freight rates were declining during the generation after the Civil War, they still were a third higher in the South and a half higher in the West than in the East.

Since the farmer had to absorb the middleman's percentage and the freight rates to the collecting point (Chicago for most important products), there were times when so little was left that it scarcely paid to ship. At a time when corn was selling at a dollar in New York, the farmers in Kansas were finding it cheaper to burn their corn for fuel than to sell it and buy coal.

Leland D. Baldwin, *The Stream of American History, Vol. II*
(New York: American Book Company, 1952), p. 199

1. The railroads controlled the grain elevators. What effect did this have on the farmer?

Railroads fixed the prices of storage and graded the farmers' grain arbitrarily. Rates for moving the freight rose.

2. What could farmers do to try to change this situation to their benefit?

Farmers could insist the gov't intervene to eliminate price fixing. Oversight by the gov't would help. Farmers could join forces to control their own grain elevators.

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The Populist Movement - Day 2

Entrance task: Pick up where you left off yesterday with the documents F-H on p. 3-7

Today: The Grange Movement and Populist Party

Homework: Ch. 17-1 due Thursday



Doc. F



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CW p. 9


The Grange Movement

Many farmers began to organize into groups to deal with their problems. In 1867, the Grange Movement was established. The Grange (farmhouse) was a national association of farmer's clubs. At first, it was primarily a social group focusing on social activities. As the problems of the farmers grew, the Grangers became a group whose goal was to regulate the railroads to improve farmer's standard of living.

Most farmers saw the railroads as the main cause of their difficulties, since the railroads charged them surcharges for transporting their crops to market. In several Midwestern states, Grangers elected candidates who enacted Granger Laws (laws favorable to farmers) which controlled the rates that the railroads could charge farmers. Eventually, the Supreme Court declared many of the granger laws unconstitutional because they interfered with interstate commerce. The Grangers then turned to Congress for help, and in 1887, Congress passed the Interstate Commerce Act. This act created a government agency to regulate the railroads and interstate commerce.

The purpose of the granger movement was to:

The Populist Party (1891-1908): The People's Party

Founded in 1891 at a convention in Cincinnati, Ohio, the party adopted a platform calling for **free coinage** of **silver** and the issuance of large amounts of paper currency - **inflationary** measures that it hoped would ease the financial burdens of the nation's debt-ridden **farmers**. Its other demands included 

- (1) abolishing the **national bank** system,
nationalizing the railroads
(**gov. ownership**),
- (2) instituting a **graduated income tax**, a.k.a.:
Progressive Income tax (or
more income = more tax),

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(3) electing Senators by direct election,
and

(4) allowing people to participate directly in government by means of
referendum.

In 1892, the Populist Party nominated a candidate for the presidency. Even though he lost, he did receive more than a million popular votes and 22 electoral ones, and several Populist candidates were elected to Congress. In 1896, the Populists were able to control the Democratic convention and secured the nomination of William Jennings Bryan as candidate for the presidency, a candidate who favored the Populist program. Even though Bryan was defeated, and the influence of the Populist Party declined, some of its ideas were later incorporated in the U.S. system of government.



Who cares about silver coins?

Populists!

- * Between 1873 and 1890, no silver coins had been minted and circulated by the US government - only **gold**
- * Because gold was more valuable than silver, people often *hoarded* these coins
- * Farmers saw a direct connection between the scarcity of money and the low prices they received for cotton and corn
- * The Populist solution: raise farm prices by making the government coin more money - SILVER money

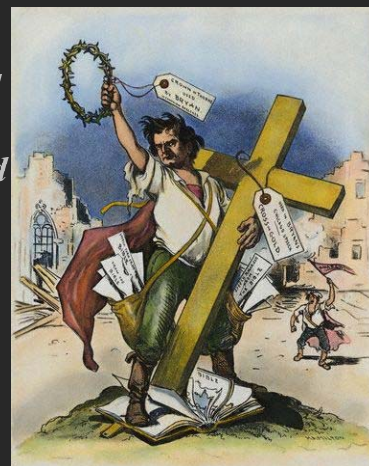


- * Populists wanted INFLATION, an increase in prices, by coining 16 silver dollars for every one gold dollar.
 - Inflation favors sellers, deflation favors buyers



CROSS OF GOLD SPEECH BY William Jennings Bryan

Having behind us the producing masses of this nation and the world, supported by the commercial interests, the laboring interests and the toilers everywhere, we will answer their demand for a gold standard by saying to them: You shall not press down upon the brow of labor this crown of thorns, you shall not crucify mankind upon a cross of gold.



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Review the info on CW p. 10-11 and complete these statements

1. The farmers' alliances favored laws that would limit the _____ of mortgages.
2. The National People's Party was founded by _____.
3. Populists believed that railroads should be owned and operated by the _____.
4. A referendum is _____.
5. In an effort to curb vote fraud, Populists favored _____.
6. In the election of 1892, _____ Populist senators were elected, as well as fifteen hundred _____.
7. The central issue of the election of 1896 was which metal would be the basis of the nation _____.
8. "Free silverites" favored the use of _____ and _____.
9. The _____ candidate won the election of 1896.

The Populist Movement - Day 2

Entrance task: Pick up where you left off yesterday with the documents D-H on p. 3-7

Today: The Grange Movement and Populist Party

Homework: CW p. 12-13,
Ch. 17-1 due Thursday



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I. Put an X next to the statements with which you think the Populists would have agreed, based on the Omaha Platform of 1892. Then write the reason you checked or did not check each statement, citing passages from the platform by number. CW p. 11

X	Statement	Reason
	1. Rich people deserve to keep the money they have.	
	2. Immigration is bad for the country.	
	3. Wealth should be more equally divided.	
	4. Society can be improved through reform.	
	5. Reform can be achieved through the Democratic and Republican parties.	
	6. Freedom is more important than equality.	
	7. The government is controlled by the rich- it must be reformed.	

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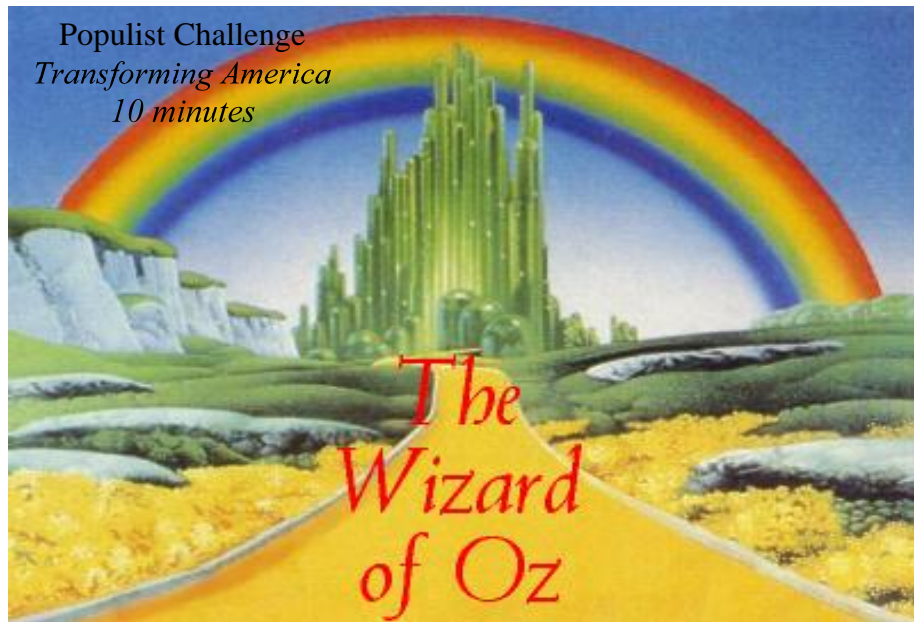
II. Put an X next to the statement you think are true, based on the Omaha Platform and the relevant information. Then write the reasons for your choices, citing passages from the platform by number and items of relevant information by letter.

X	Statement	Reasons
	8. Farmers felt railroads were hurting them.	
	9. Many farmers were debtors (they owed money on loans)	
	10. The Populists were trying to gain the support of industrial workers.	
	11. Bankers supported the ideas of free coinage of silver.	
	12. Populists were conservative- that is, they wanted to go back to earlier days. They were not pushing for innovation and change.	
	13. Populists were radical- they were suggesting radical change in our nation	

Page 14
classwork
packet

Planks in the Populist Party Platform	
Direct Election of U.S. Senators	Party bosses controlled state legislatures that elected representatives to the U.S. Senate. To limit this control, the Populists proposed allowing citizens to directly elect U.S. Senators.
Secret Ballot	Privacy at the ballot box would ensure that citizens can cast votes without party bosses knowing how they voted.
Initiative	Would allow voters to petition state legislatures in order to consider a bill desired by citizens.
Referendum	Would Allow voters to decide if a bill or proposed amendment should be passed.
Recall	Would allow voters to petition to have an elected representative removed from office.
Direct Primary	Designed to ensure that voters select candidates to run for office, rather than party bosses.

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<http://www.24hgold.com/24hpmdata/articles/img/20081001ELS122.jpg>

The Populist Movement - Day 2

Homework: Ch. 17-1



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Gold Standard

Free Silver

Supporters	Gold bugs: bankers & wealthy industrialists	Silverites: silver miners, farmers, and debtors
Position	A gold standard would limit the amount of money in circulation and DEFLATE prices	The unlimited coinage of silver would increase money supply and INFLATE prices
Benefits	The economy would be more stable and the wealthy would have protection for their money	The economy would be stimulated, farmers would get more money for their goods; debtors could more easily repay loans

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URBANIZATION DEFINE	+	URBANIZATION POSITIVE EFFECTS	-	URBANIZATION NEGATIVE EFFECTS
INDUSTRIALIZATION	+		-	
IMMIGRATION	+		-	
NATIONALIZATION	+		-	
SEGREGATION	+		-	
UNIONIZATION	+		-	
MECHANIZATION	+		-	
CONSOLIDATION	+		-	
SPECIALIZATION	+		-	
DEHUMANIZATION	+		-	

CW p. 2

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Define each of the following and then identify the positive & negative aspects of each.		
	POSITIVE	NEGATIVE

**Based on the "ization" exercise,
comment on the following statement
on the bottom of page 3:**

**“There was a sense in the US at the
end of the 1800s that the world was
falling apart.”**

The Populist Movement

Homework: Ch. 15-4



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